

**COUNTY EXECUTIVE'S 2007 BUDGET****DEPT:** DEPARTMENT OF PUBLIC WORKS – FLEET MAINTENANCE**UNIT NO.** 5300**FUND:** Internal Service - 0030**OPERATING AUTHORITY & PURPOSE**

The Fleet Maintenance Division of the Department of Public Works (DPW) provides a broad array of services to the County and its customers, including vehicle replacement programs; developing and designing vehicle specifications; managing the County's fuel system; assigning vehicles and equipment to users based on needs and requirements; managing and developing vehicle and equipment disposal through periodic auctions;

managing and maintaining all automotive equipment owned by the County; and authorizing and acquiring all vehicles and equipment in the Fleet Equipment Acquisition Capital Budget. Fleet Maintenance manages and maintains all automotive equipment owned by the County.

<b>BUDGET SUMMARY</b>				
<b>Account Summary</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2007 Budget</b>	<b>2006/2007Change</b>
Personal Services (w/o EFB)	\$ 2,641,284	\$ 2,876,840	\$ 2,497,771	\$ (379,069)
Employee Fringe Benefits (EFB)	1,661,757	1,663,000	2,179,524	516,524
Services	871,306	879,475	1,065,934	186,459
Commodities	2,730,249	2,089,151	1,035,959	(1,053,192)
Other Charges	0	0	0	0
Debt & Depreciation	2,978,663	2,533,669	2,176,776	(356,893)
Capital Outlay	12,818	42,000	39,500	(2,500)
Capital Contra	(10,356)	(35,000)	(32,500)	2,500
County Service Charges	1,420,018	1,688,436	1,411,646	(276,790)
Abatements	(408,655)	(536,814)	(486,954)	49,860
<b>Total Expenditures</b>	<b>\$ 11,897,084</b>	<b>\$ 11,200,757</b>	<b>\$ 9,887,656</b>	<b>\$ (1,313,101)</b>
Direct Revenue	103,250	38,200	48,300	10,100
State & Federal Revenue	20,815	17,700	17,700	0
Indirect Revenue	11,854,165	11,630,845	10,296,505	(1,334,340)
<b>Total Revenue</b>	<b>\$ 11,978,230</b>	<b>\$ 11,686,745</b>	<b>\$ 10,362,505</b>	<b>\$ (1,324,240)</b>
<b>Direct Total Tax Levy</b>	<b>(81,146)</b>	<b>(485,988)</b>	<b>(474,849)</b>	<b>11,139</b>

<b>ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*</b>				
<b>Account Summary</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2007 Budget</b>	<b>2006/2007Change</b>
Central Service Allocation	\$ 120,086	\$ 211,741	\$ 225,030	\$ 13,289
Courthouse Space Rental	0	0	0	0
Tech Support & Infrastructure	52,505	63,167	71,930	8,763
Distribution Services	0	0	0	0
Telecommunications	3,428	1,675	3,640	1,965
Record Center	0	0	0	0
Radio	0	0	0	0
Computer Charges	28,540	42,658	18,127	(24,531)
Applications Charges	51,181	78,996	48,587	(30,409)
<b>Total Charges</b>	<b>\$ 255,740</b>	<b>\$ 398,237</b>	<b>\$ 367,314</b>	<b>\$ (30,923)</b>
<b>Direct Property Tax Levy</b>	<b>\$ (81,146)</b>	<b>\$ (485,988)</b>	<b>\$ (474,849)</b>	<b>\$ 11,139</b>
<b>Total Property Tax Levy</b>	<b>\$ 174,594</b>	<b>\$ (87,751)</b>	<b>\$ (107,535)</b>	<b>\$ (19,784)</b>

\* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the "total" amount of tax levy support for this Department.

## COUNTY EXECUTIVE'S 2007 BUDGET

DEPT: DEPARTMENT OF PUBLIC WORKS – FLEET MAINTENANCE

UNIT NO. 5300

FUND: Internal Service - 0030

PERSONNEL SUMMARY				
	2005 Actual	2006 Budget	2007 Budget	2006/2007 Change
Personal Services (w/o EFB)	\$ 2,641,284	\$ 2,876,840	\$ 2,497,771	\$ (379,069)
Employee Fringe Benefits (EFB)	\$ 1,661,757	\$ 1,663,000	\$ 2,179,524	\$ 516,524
Position Equivalent (Funded)*	71.0	63.6	52.5	(11.1)
% of Gross Wages Funded	95.0	96.0	95.5	(0.5)
Overtime (Dollars)**	\$ 90,256	\$ 125,004	\$ 126,432	\$ 1,428
Overtime (Equivalent to Position)	5.9	3.2	3.0	(0.2)

\* For 2005 Actuals, the Position Equivalent is the budgeted amount.

\*\* Delineated for information. (Also included in personal services.)

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Fringe Benefits)
Administrative Asst (NR)	Unfund	1/1.0	Fleet Maintenance	\$ (41,299)
Auto & Equip Parts Tech	Abolish	5/5.0	Fleet Maintenance	(189,935)
Auto & Equip Service Tech	Abolish	1/1.0	Fleet Maintenance	(42,315)
Auto & Equip Attendant	Abolish	1/1.0	Fleet Maintenance	(37,348)
Auto & Equip Attendant	Unfund	1/1.0	Fleet Maintenance	(37,348)
Auto & Equip Srv Supv	Abolish	1/1.0	Fleet Maintenance	(53,615)
Fleet Maintenance Worker	Unfund	1/1.0	Fleet Maintenance	(36,257)
Ironworker- DPW	Unfund	1/1.0	Fleet Maintenance	(47,082)
			TOTAL	\$ (485,199)

### MISSION

Fleet Maintenance will provide prompt, competitive, quality services to its customers and to effectively manage all County vehicles and equipment through a diversified workforce of skilled, experienced and professional employees.

### BUDGET HIGHLIGHTS

- Personal Services without fringe benefits decreases \$379,069 from \$2,876,840 to \$2,497,771. Funded positions decrease 11.1 from 63.6 to 52.5.
- The Governmental Accounting Standards Board (GASB) statement number 45 (GASB-45), issued in 2004, will become effective for Milwaukee County in 2007. This statement establishes standards for the measurement, recognition, and display of Other Post Employment Benefits (OPEB) expenditures and related liabilities. For the County, this OPEB cost is for post retirement health insurance and

life insurance benefits for eligible employees. Beginning in 2007, Milwaukee County is required to accrue for the annual cost of OPEB earned by an employee during the year (normal cost) plus the amortization of past service costs earned by an employee prior to the effective date of the new governmental accounting standard. In order to comply with Wisconsin state statutes, proprietary fund departments must follow governmental accounting rules and use accrual accounting. Fleet has a budgeted amount of \$312,800 included for OPEB liability.

- In 2007, Replacement Fleet equipment is budgeted in the Capital Improvements Budget. Replacement equipment is recommended for (Project WO112, Fleet Equipment Acquisition) the Sheriff's Department, Highway Maintenance, Facilities Management, Parks, Airport, District Attorney, Behavioral Health and Fleet Maintenance. All departments receiving replacement equipment will be required to turn

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in their used equipment unless, as required, the department has obtained County Board approval to retain the old vehicles. This will keep Fleet Maintenance's total equipment count at the approved total. Any costs associated with the repair and maintenance of vehicles retained will be the sole responsibility of the using department.

- A full-time position of Iron Worker is unfunded. Fleet will utilize a Parks Ironworker for one-half the year. The position will be in Parks with direct labor and fringe transfers to Fleet Maintenance. The net savings for Fleet Maintenance is \$45,346.
- The parts operation is being outsourced for 2007. Five Auto & Equipment Parts Tech positions are abolished as part of this initiative. Also included in this initiative is an increase in contractual services of \$220,000 and savings associated with the purchase of parts of \$250,000. The net expenditure savings associated with this initiative is \$406,605.
- For 2007, funding for motor vehicle parts increases \$112,966 from \$799,188 to \$912,154. The increase in 2007 reflects 2005 actual usage. Estimated savings of \$250,000 that is a result of the parts outsourcing initiative partially mitigates the increase of \$362,966 contained in the 2007 budget.
- During 2006, Fleet Maintenance's second shift operation at the Central facility has been eliminated for the summer months (April-November). As a result, for 2007, one position of Auto & Equipment Attendant is abolished, one position of Auto & Equipment Supervisor will be abolished, special premium is reduced, and utility expenses are reduced. The expenditure savings from this initiative is \$218,631.
- For 2007, the expenditure authority for fuel and the associated cost of all fueling infrastructure have been removed from the Fleet Maintenance budget and transferred to individual departmental budgets. Having individual departments carry this expenditure authority will

encourage departments to conserve fuel and allow departments to track and monitor fuel consumption and cost. Using this methodology, any resulting surpluses/deficits for fuel will remain in each department's budget. Fleet will continue to act as a purchasing agent in order to capture economies of scale.

- Flexibility to expand, modify and reallocate major maintenance projects and equipment purchases while remaining within the total appropriation is continued in 2007.
- Depreciation for Fleet equipment is decreases \$302,568, from \$2,159,766 to \$1,857,198. due to adjustments made to more accurately reflect the depreciable life of some equipment.
- Bond interest decreases \$207,248, from \$590,046 to \$382,798, resulting from the re-financing of bond funding used for vehicle acquisitions and a reduction in new units purchased.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

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<b>FUEL PRICING AND PURCHASES</b>					
		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>
<b>Lead Free -</b>	Gallons	487,666	448,008	436,496	375,723
	Average Price	\$1.40	\$1.67	\$2.07	\$2.22
	Purchase	\$681,380	\$746,747	\$902,116	\$834,105
<b>Diesel #2 -</b>	Gallons	300,363	300,002	311,205	265,700
	Average Price	\$1.22	\$1.50	\$2.08	\$2.22
	Purchase	\$367,902	\$450,001	\$648,806	\$589,854
<b>Diesel #1 -</b>	Gallons	50,450	56,517	63,562	55,000
	Average Price	\$1.39	\$1.55	\$2.09	\$2.22
	Purchase	\$69,897	\$87,735	\$132,693	\$122,100
<b>Propane</b>	Gallons	1,902	1,788	1,402	1,800
	Average Price	\$1.05	\$1.17	\$1.21	\$1.21
	Purchase	\$1,997	\$2,086	\$1,696	\$2,178
Total Gallons Used Per Year		840,381	806,315	812,665	698,223
Total Fuel Dollars Purchased Per Year		\$1,121,176	\$1,286,569	\$1,685,311	\$1,548,237
Less: Fuel for Parks Department		(\$161,291)	(\$181,091)	(\$230,159)	(\$200,485)
Less: Fuel for Non Fleet Equipment		(\$138,998)	(\$168,286)	(\$169,564)	(\$170,990)
Net Fuel for Fleet Operating Budget		\$820,887	\$937,192	\$1,285,588	\$1,176,762

For 2007, costs of fuel and infrastructure have been moved into individual departments. Countywide the amount budgeted for fuel increases by \$497,224 from \$1,548,237 to \$2,045,461.

The fuel prices in the table above are inclusive of Federal and State Taxes, which is included in the purchase price of fuel. Fleet subsequently is reimbursed by the State for fuel used in off road equipment.

To comply with Federal emission standards, ultra-low diesel fuel is required for diesel vehicles beginning in January 2007. The cost of the ultra-low-sulfur diesel versus the number 2 diesel currently used is unknown, however it is generally anticipated that the new fuel will be more expensive. The budgeted amount does not reflect a cost increase as the impact is not yet known.

<b>ACTIVITY AND STATISTICAL SUMMARY</b>				
	<b>2005</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Highway Patrol (Miles)	2,350,000	2,202,005	2,083,000	2,220,000
Other Cars (Miles)	1,100,000	910,673	892,000	915,000
Trucks (Miles)	3,000,000	2,529,638	2,935,000	2,550,000
Motorcycles (Miles)	25,900	19,138	20,000	20,000
Fire Trucks (Miles)	7,000	6,745	7,000	7,000
Other Equipment (Miles)	<u>76,300</u>	<u>77,485</u>	<u>38,800</u>	<u>40,000</u>
Total (Miles)	6,559,200	5,745,684	5,975,800	5,752,000